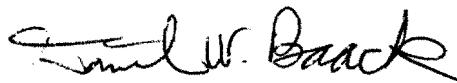


What It's Like Doing Business in Germany

An Honors Thesis (HONRS 499)

by

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A handwritten signature in black ink, reading "Daniel W. Baack". The signature is fluid and cursive, with the first name "Daniel" and last name "Baack" being more prominent than the middle initial "W.".

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Abstract

Germany is the largest economy in Europe and the third largest economy in the world. In an ever increasing global society, learning about other cultures is vitally important for companies doing business abroad. I give a brief analysis of the major points of Germany's history, culture, and business environment. Two personal experiences from businessmen who have conducted business in Germany and a cultural experience from a German exchange student are also included.

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Map of the Federal Republic of Germany



Introduction

The Federal Republic of Germany, with its population of 82 million, is the most populous country in Europe. With a 2.2 trillion euro gross domestic product, Germany is the largest economy in Europe and the third largest in the world. Together, this makes doing business within the country very desirable for foreign firms.

Before doing business within a company, it is important to have a basic understanding of different aspects of the culture. To avoid ethnocentrism, the notion that one's own culture or company knows best how to do things, one should take special care in learning about a country's history, regions, customs and holidays, government, and working environment.

History

After the fall of the Roman Empire, Charlemagne established a kingdom in A.D. 800 that included much of Western Europe. The area was later divided among his sons, dating the first all-Germanic kingdom.

Otto I defeated invading Danes, Slavs, and Magyars (Hungarians), marking him as the first strong German king. In A.D. 926 he was crowned emperor of the Holy Roman Empire, spanning from Germany down into northern Italy. The "First Reich" experienced internal conflict between semiautonomous principalities, which only increased after Martin Luther's Reformation in 1519 when some areas remained Roman Catholic while others began practicing Protestantism.

In 1740, Frederick II ("the Great") became ruler of Prussia. He expanded Prussia's territory making it one of Europe's great powers, competing with Austria for leadership among the German-speaking peoples. But the Holy Roman Empire was dissolved when Napoleon I conquered most of Germany in 1806.

By the eighteenth century, Prussia and Austria dominated Central Europe. Austria wanted to keep the two German empires separate; Prussia wanted to unite and rule them. At first, Austria loosely replaced the Holy Roman Empire. Prussia eventually won when Prime Minister Otto von Bismarck led Prussia into war against Denmark, Austria, the Austrian-allied German kingdoms, and France.

Thanks to Bismarck, Prussian king William I was crowned emperor of all Germany in 1871. Germany dates its existence back to this time. This is the so-called “Second Reich” that lasted until after the First World War.

After defeat in the First World War, Germany became a republic. With massive war reparations and the Great Depression, Germany fell into the hands of the “National Socialists.” The term “Nazi” was rarely used within Germany. The horrors and atrocities of Adolf Hitler’s “Third Reich” presented an ethical quandary for every preceding German generation, including generations today.

At the end of the Second World War, England, France, the United States, and the USSR occupied Germany. As a result, the country was divided into the capitalist, NATO-allied Federal Republic of Germany (FRG) and the Communist, Warsaw Pact German Democratic Republic (GDR). Berlin was also divided into West and East, and Bonn was chosen as the capital of West Germany. The two halves of Germany were reunited on October 3, 1990. The four powers formally relinquished their holds on March 15, 1991. Today, the reunited Germany is a leading power and one of the strongest members of the European Union. (Morrison, Conaway 84-85)

Germans are still plagued with the guilt of the atrocities that occurred during the Second World War. It is inappropriate and unnecessary to ask questions or bring up this topic in the business environment. Additionally, there is little national pride displayed in Germany today.

Unlike the patriotic United States where flags and national colors are very prominent, flags are only commonly seen on governmental buildings in Germany. However, Germans are much more attached to and proud of their regional state.

Regional Sentiments

Germany's sixteen states have varying cultures and histories. Due to Germany's relatively late unification in 1871, regions of people have retained much of their previous dispositions:

Swabians have the reputation of being hardworking, they are born tinkers, ingenious and parsimonious; Bavarians have the image of being fun-loving and beer-guzzling; Thuringian and Saxons, on the other hand, are said to be music-loving, and they have Bach, Handel, Schumann, and Wagner to prove it; the Frisians are supposed to be taciturn; Hamburgers are considered Anglophiles and cosmopolitan; and Berliners are famed for their quick wit. (Bernstein 6)

Although Germany is one country, each region has its own identity. These cultural differences between geographic areas can be problematic when doing business within the country.

Each region is very individualistic, and "most Germans feel a strong attachment to the *Heimat* (home region) they grow up in and, when asked where they come from, will frequently answer 'from Bavaria' or 'from Saxony' rather than 'from Germany'" (Bernstein 6). When researching the country before a business trip, one should not only consider differences between the United States and Germany but also research the specific region of Germany.

The Rhine-Ruhr region, for example, is Germany's economic powerhouse. Düsseldorf, located in the Rhine-Ruhr region, is the capital of the German state of North Rhine-Westphalia. This is the most populous German federal state. With a state GDP of 489 billion euros, it

outranks nations such as Switzerland, Sweden, Turkey, and Thailand. And with 11.5 million inhabitants and a working population of 3.6 million, it is the most powerful economic area, ahead of Frankfurt, Berlin, Hamburg, and Munich.

Hessen, on the other hand, is especially adept in banking and finance, consulting, and logistics. It is a top location for trade fairs with over 40 exhibits in its capital, Frankfurt, annually. With a dense American network of more than 17,700 U.S. nationals and nearly 700 U.S. companies, it is an ideal location for U.S. business involvement. (ECACC)

Customs and Holidays

When conducting business abroad, it is important to not only understand the culture, but also to know legal holidays that can conflict with work schedules. Below is a list of the legal German holidays¹:

New Year's Day	January 1	Neujahrstag
Epiphany*	January 6	Heilige Drei Könige
Good Friday	March/April	Karfreitag
Easter Sunday	March/April	Ostersonntag
Easter Monday	March/April	Ostermontag
Labor Day	May 1	Tag der Arbeit
Ascension Day	May/June	Christi Himmelfahrt
Whitsun Sunday	May/June	Pfingstsonntag
Whitsun Monday	May/June	Pfingstmontag
Corpus Christi*	May/June	Fronleichnam
Assumption Day*	August 15	Mariä Himmelfahrt
Day of German Unity	October 3	Tag der deutschen Einheit
All Saints Day*	November 1	Allerheiligen
Christmas Day	December 25	1. Weihnachtsfeiertag
Second Day of Christmas	December 26	2. Weihnachtsfeiertag

In general, Germans have more holidays than Americans. In some of the states in Germany as many as 15 legal holidays are celebrated, compared to the 11 in the United States. In

¹ * indicates legal holidays in Catholic states only. Non-Catholic states do not take the holiday.

addition, there are numerous local and regional festivals where businesses close for the day. It is vital to know the holidays that could conflict with planned business dealings abroad. (Bernstein)

Leading up to Easter during Lent, *Karneval* (carnival) or *Fasching* as it is called in Bavaria, is a celebration that lasts for weeks. Especially along the Rhine and in southern Germany, it is often called the fifth season. Celebrations begin on the 11th day of the 11th month at 11 minutes after 11. After Christmas celebrations, the *Karneval* celebrations gather momentum in January and reach its height of frenzy during the three days before Ash Wednesday in February or March (depending on Easter).

Women in the workplace especially look forward to the end of *Karneval*. “In spite of decades of struggle, women are, on average, paid less than men” (Bernstein 66). And although women represent 43 percent of all employees, they earn, on average, only 64 percent to 74 percent of what men earn. On *Weiberfastnacht* (women’s carnival) on the Thursday before Ash Wednesday, women get even. On this day, “women take over the regime in city halls and offices. Men should not wear expensive, \$60 silk ties on that day, because one of the traditions of *Weiberfastnacht* is that women are free to cut off with impunity the ties of any males they can get their hands and scissors on” (Bernstein 33). It is traditions like these that would catch many foreigners off guard. *Weiberfastnacht* stresses the importance of familiarizing oneself with foreign customs, holidays, and traditions prior to business trips.

In addition, Americans work more hours annually than Germans. Germans are rewarded for productivity and diligence with more vacation days:

The fact is that the average German employees spend significantly less time at work than their American colleagues. While American workers spend 1,904 hours per year on their jobs, their German counterparts work only 1,573 hours.

The reason is that German workers not only have a shorter work week but also that they are entitled to more paid vacations than their American colleagues: 31 days per year, whereas workers in the United States have only 12 days. (Bernstein 44)

Germans work efficiently during their hours of work. Although they work fewer hours annually than their American colleagues, their overall productivity does not falter or deviate from their high standards. (Bernstein)

Government

The reunited Federal Republic of Germany is a democratic federal multiparty republic. Voting is done by proportional representation. There are two legislative houses: the Federal Council and the Federal Diet. The president is the chief of state, and the chancellor is the head of the government.

The government's preoccupations include issues pertaining to the former East Germany. One current hot issue is the war on terrorism and the invasion of Iraq. In the past a staunch U.S. ally, Germany strongly opposed the Second Gulf War.

Abjuring from military intervention after the Second World War, Germany influenced the world via "checkbook diplomacy," contributing far more than its share to international organizations. Many feel Germany gave much more to the European Union than it gained in return. (Morrison, Conaway 86)

In 2005, Germany elected its first female chancellor, Angela Merkel. Merkel was elected by the Federal Assembly and is the head of the government. President Horst Koehler, on the other hand, was elected by popular vote and has been chief of state since 2004. (CIA)

Merkel is a liberal conservative and deeply believes in the western values of freedom, human rights, and democracy. From the former East Germany, she has a positive image of the United States as a mainstay of freedom and democracy. (Hacke) With pro-American leadership and a stable government, Germany is a low-risk country for foreign business interaction.

Current Economic Crisis

Germany, following the United States, entered a financial crisis in the third quarter of 2008. Although many large German firms are beginning a “voluntary no-firing policy,” smaller factories are closing, some jobs are being lost, and shorter working hours are being introduced. (Dempsey)

Critics claim that Chancellor Merkel is slow in acting in the crisis. Merkel, who is up for reelection in 2009, says safeguarding German jobs is the top priority (Deutsche Welle). Germany cannot handle the economic situation alone, and Merkel wants to assess the different economic forecasts of other nations in financial crisis. Merkel is waiting to see what economic policies will be adopted after Barack Obama is inaugurated in January 2009 (Dempsey). The decisions of coming months will be critical for domestic and international firms operating in Germany.

Education

Germany’s education system is much different than that of the United States. Education starts between ages three and four in the *Kindergarten*. Unlike the institution in the U.S., German kindergarten lasts for three years. Education is compulsory for children aged 6 to 16. (Turner)

After Kindergarten, children attended four years of elementary school (*Grundschule*). There is a designated counselor that oversees an entire class for all four years. Throughout the four years, the counselor makes note of each child’s talents, behavior, abilities, and personality. The counselor observes the intelligence level of each child, writes a report, and advises the

child's parents for which of three schools the child should be placed. Although the parents may choose the child's secondary education path, the parents will normally follow the judgment of the counselor who has been watching the child's education for four years.

Secondary education in Germany consists of three institutions: a comprehensive school (*Gesamtschule*), a secondary modern school (*Realschule*), and a grammar school (*Gymnasium*). The *Gesamtschule* is a school for children with the lowest ability level whereas the *Gymnasium* is for the children with the highest intelligence.

Children uninterested, having poor behavior, or showing little promise enter the *Gesamtschule*. They attend the *Gesamtschule* for six years until they are sixteen and legally permitted to stop schooling. Upon finishing the *Gesamtschule*, the teenager would enter everyday life and find work where work is available.

Better behaved, more intelligent children enter a secondary modern school called the *Realschule*. After six years of schooling, they may apply for an *Ausbildung* (apprenticeship). Germany's "tradition of skilled labor, which originated with the apprenticeship system of the Middle Ages, is still very much alive today" (Glouchevitch 49). After an apprenticeship, the new class is very well trained, making the German working class highly skilled.

The highest-ranked secondary grammar school is the *Gymnasium*. After six years of schooling, the students begin their *Oberstufe*. The *Oberstufe* is the secondary level two of the *Gymnasium* institution, or the last two years at *Gymnasium*. The *Oberstufe* allows the students to narrow their course subjects into the areas in which they will study at the university. The grades from these subjects plus their final examination grades make up the *numerus clausus*. The *numerus clausus* is a score that students need to enter the university.

Should student mindsets, attitudes towards learning, or abilities change during the six years of schooling, it is possible for students to move to a different schooling institution.

Students graduating from the *Gesamtschule* may also complete their own *Oberstufe* for two years and attend a technical college. Students from the *Realschule* may complete a certificate to enter the *Oberstufe* at the *Gymnasium* level, thereby taking the path towards university studies.

By using this system of education, the work force is highly trained and specialized. Each German has been working towards their profession since after grade school. Those who attended the *Realschule* become technical workers, while those who attend the *Gymnasium* complete their education at a university and become a learned professional.

Working Environment

As to be expected, Germany's working environment is different from that of the United States. The working environment in Germany is that of serious business. "Germans work hard. Without the traditional work ethic, Germany would never have been able to rise from the ashes of the Second World War and build a country that has the third largest economy, in terms of gross national product, behind the much larger United States and Japan" (Bernstein 44). Because of the serious nature of German business, there are certain scenarios that should be avoided.

Business dress in Germany is very conservative. Virtually all businessmen wear dark suits, sedate ties, and white shirts. Women dress equally conservatively, in dark suits, pantsuits, and blouses of a neutral color. In the United States, where khakis and a short-sleeved dress shirt may be appropriate, it would be considered rude and unprofessional. (Morrison, Conaway)

Parallel to the more formal business attire is the formal address of colleagues. Where Americans are on a first name basis with their colleagues, ranging from top management down to lower levels, Germans are seldom on such familiar terms. "In business, even though German

society is democratic with workers and management sharing canteens, car parks and washrooms, working relationships tend to be formal, with the emphasis on careful thought and planning” (Turner 174). Age and position are highly respected in Germany. Anyone older or at a higher position is addressed in the formal style with the address of Herr or Frau. Younger generations, however, move more quickly to a first-name basis. (Morrison, Conaway)

Humor is also inappropriate in the working environment. “Like so many aspects of German life, humor is strictly compartmentalized. The more formal the occasion, the less humor is acceptable” (Mole 45). At meetings or presentations, for instance, where an American would feel the need to use jokes or humor, a German would remain consistently serious.

Management

Germans highly respect position. But respect is not given freely; it must be earned. “Germans look for strong, decisive leadership from somebody who knows what he is talking about. [...] It would be wrong to regard this as subservience. Orders are obeyed out of respect for the boss’s functional role and his competence” (Mole 37). Typically, German management inspires results by attacking work with determination. (Glouchevitch)

The German business scene is very structured. Meetings begin directly after handshakes and introductions. Small talk is not appreciated nor desired while doing official business. This can be aggravating to Americans. “Everything about German business, from the German style of management within the corporation to the general environment in which the corporation operates, is heavily structured—a point of frustration for many outsiders” (Glouchevitch 37). If an American is seen as unprepared to the heavily-structured German, they will be dismissed as incompetent and will not be taken seriously.

Germans also use a different technique when establishing goals. Generally in the United States, upper levels have a clear goal in mind and steps are established to obtain the goal. In Germany, another direction is taken. Germans plan their steps first, analyzing every action acutely. After every possibility is analyzed, the ultimate goal is ascertained. (Morrison, Conaway)

Additionally, Germans are averse to change. "In Germany, not rocking the boat means taking the sting out of the market and to some extent protecting the status quo" (Glouchevitch 44). Due to the time and effort put into analyzing steps towards decision making, changes in goals and procedures are very unnerving for Germans. It is then very important to have written goals in place before a meeting occurs. In this way, it is easier to remain on task and avoid last minute changes.

Ten Reasons to Invest in Germany

The German Missions in the United States identifies ten reasons to invest in Germany:

1. Germany is a large market. With over 82 million inhabitants, Germany is the most populous country in the European Union, and therefore the largest market. Its gross domestic product is over 2.2 trillion euros and is the largest economy in Europe, and the third strongest in the world.
2. Germany is centrally located. In the heart of Europe, Germany is a hub for goods and services.
3. Germany is an open market and welcomes foreign investment. Over 22,000 foreign enterprises have established businesses within Germany and employ more than 2.7 million people.

4. Germany is metropolitan. With more than 7 million foreigners, it is welcoming of other nations. Several regions have prominent foreign communities with their own schools, churches, shops, and restaurants.
5. Germany possesses an exceptionally well-qualified and skilled workforce. Recognized internationally, the demand for high standards of knowledge and professionals is met by 383 institutions of higher education. Germany also uses a “dual system” of vocational education, teaming workplace training and school instruction in an apprenticeship environment.
6. Germany displays a high level on innovation. Close ties between industry and research institutions quickly transform new ideas into products ready for the world market.
7. Germany possesses a highly developed infrastructure. Swift connections are guaranteed by the closely knit network of roads, railways, and international airports. The city of Hamburg has one of the largest container transshipment centers in Europe.
8. Germany is a constitutional state with transparent and reasonable laws. Studies prove that German legal security is highly regarded by investors. Germany ranks fourth in the world in terms of legal security.
9. Germany is proud of its *Mittelstand* or privately owned small and medium-sized companies. Because 85 percent of all businesses fall into this category, German industry is very flexible, multifaceted, and competitive.

10. Germany has a world famous trademark. The “Made in Germany” seal stands for the highest quality products. Fields particularly strong are the automobile, mechanical engineering, electrical engineering, and chemical sectors. (Missions)

Trade Fairs

Germans are passionate about a good trade fair, or *Messe*. Larger fairs draw business and customers from around the world while smaller fairs serve a very local clientele. However, “no German industry or trade goes without a fair, nor would German companies think of skipping the events” (Glouchevitch 47). The German media reports on all the activities at trade fairs from who came out with new products, what items are popular, and what items are not.

There are ten cities in Germany that offer permanent facilities for trade fairs. These cities include Hanover, Frankfurt, Cologne, Düsseldorf, Munich, Berlin, Nürnberg, Essen, Stuttgart, and Leipzig.

Trade associations are also much more important in Germany than in the United States. Germans highly value fairness, and they see the system of private lobbyists as favoring wealthy corporations over regular people. For this reason, German trade associations allow their democratically elected leaders to speak on behalf of the constituents. (Glouchevitch)

Business Tips

- Nowhere in the world is punctuality more important than in Germany. Be on time for every appointment, whether for business or social engagements. Arriving just four or five minutes late can be insulting to a German.
- When writing a date, Germans write the day first, then the month, then the year (e.g. December 3, 2010, is written 3.12.10).

- Appointments should be made well in advance. Do not schedule appointments on Friday afternoons; some offices close by 2:00 or 3:00 P.M. on Fridays.
- Germany is one hour ahead of Greenwich Mean Time (G.M.T. +1). This makes it six hours ahead of U.S. Eastern Standard Time (E.S.T. + 6).
- Germans use a twenty-four hour clock.
- The pace of German corporate decision-making is methodical and much slower than in the United States.
- Directness is appreciated. Germans are blunt. Hype and exaggeration are abhorred.
- Germans take a lot of time to establish a close business relationship. Their apparent coldness at the beginning will melt over time. Once they get to know you, Germans are quite sociable.
- Germans smile to indicate affection. They generally do not smile in the course of business, either at customers or at coworkers.
- Business is serious; Germans do not appreciate humor in a business context.
- Compliments tend to embarrass Germans. They assume that everything is satisfactory unless they hear otherwise. (Morrison, Conaway 91)

Personal Interviews

Jeff Carson

Jeff Carson is the president of Peerless Machine & Tool Corporation in Marion, Indiana. A machinery company since 1922, Peerless has a partnership with a firm located in Baesweiler, Germany. Carson has been to Germany on business trips many times since the 1980s.

Originally a machine repair company, Peerless was founded in 1922 by Carson's great-grandfather. In the late 1920s, Peerless developed its first mass-producing paper plate making machine. Exporting the paper plate making machines to countries around the world began in the late 1950s to early 1960s. Between the 1960s and late 1980s, Peerless faced little competition and believed that it would be best to locate in Europe. It began searching for a location, narrowed the search down to three locations, and chose Baesweiler for its closeness to the customer base.

Baesweiler is located in the Ruhr-area in North Rhine-Westphalia. Carson explains that "Baesweiler is [located in] a former coal-mining region and the coal mines were basically drying up. Unemployment was skyrocketing, so they started coming up with incentive packages. We settled there and have an excellent relationship with the mayor over there." Today Peerless employs 15 people and builds the paper plate dyes for Peerless' customers in Europe, the Middle East, and Northern Africa. The facility in Baesweiler has been open since 1990.

Beginning in the early 1990s, Peerless faced difficulties choosing a directing manager. Carson explains:

We went through four different managers starting up. Timing wise it was terrible; the economy was bad in the early '90s in Europe, similar to the way it was here but the economy was not good -- the Wall coming down at around that same time, and what it meant for Germany in particular. And the East compared to the West. It was just kind of a crazy time. We struggled with finding a managing director. We went through a Finnish guy, an English guy, a German guy, and finally settled on the current manager. (...) He's the one who's been running the company since around '95. He's German, and he's pretty authentic German. Pretty stubborn, and bull-headed. He has his way of doing things, and that's ok; he's done a great job.

He's pretty independent. For a small firm (...) it would be more difficult if he wasn't so reliable.

A difficulty that American firms face when entering a different country is choosing the correct staff that will enforce the American structures while controlling the host country nationals.

Since the appointment of the manager in Baesweiler, business has been running smoothly in Germany for Peerless. Jeff Carson has been on several business trips to Germany, starting in 1982. Carson believes that doing business in Germany is very similar to doing business in the United States. "Even though there's been some communication issues and trying to understand some of their tax law, the fact that their tax code and their system is similar has made it a lot easier." Because of the similarities in tax codes, laws, and other aspects of business, Carson has deemed the investments in Germany a success.

One difference that Carson notices is the working environment. On the business trips, Carson was aware that everyone in Germany was very serious during working hours. He explains that in the United States, "We're not so serious, not walking around stiff all day, no smiles on our faces [but in Germany] it is business during the day; a good day's work."

Outside of the working environment, Carson says that the Germans are a fun-loving people. He says that regardless of nationality, "we all kind of have the same values and desires. We work during the day and relax and enjoy the evenings or weekends." He has enjoyed doing outdoor activities such as boating, motorcycle riding, and go carting with his German colleagues after hours.

Despite a few cultural differences and dissimilarities in the workplace, Jeff Carson has had few problems doing business in Germany. He would recommend the environment to other businesses as well. "It was absolutely the right thing to do, and we're glad we did it."

Thomas Spry

Thomas Spry is a mechanical project engineer for Peerless Machine and Tool Corporation. Only three years out of college, Spry has a view of German business from a younger generation. Spry works not only for Peerless, but also BMW Sauber, which is based in Munich, Germany.

Spry has been employed at Peerless Machine and Tool Corporation for three years. In May 2008, Spry accompanied Carson to the Drupa Trade Show in the Messe Düsseldorf, Germany. The Drupa trade show is a printing equipment fair that occurs every four years. The trade fair in 2008 boasted over 390,000 visitors.

Spry especially noticed the way that Germans address each other. Germans are more formal in the working environment. Position is highly respected, and most coworkers do not address each other by their first names. Spry explains that “over in Germany, everyone says ‘Herr Insert-Last-Name.’ Even if it’s your boss. Whereas here, it’s like ‘Hey Jeff, how’s it going?’ When I go over there, and I call the two bosses by their first names. (...) But when my bosses come over, [the Germans] never call them by their first names.” Germans show respect by using the formal address.

Spry attributes the formality to position, not necessarily age. “They respect position there a lot. Anybody lower than you, you can be buddies with if you want. Or anybody on the same level as you. But anybody higher than you, you do what they say. I don’t think it is age so much as position.” Spry noticed also that when he was first introduced, there always was a bit of awkwardness as the Germans tried to assess his age and rank within the company. “When I go over there, they kind of look at you weird, and think ‘okay, is he above me, is he higher ranking than me...’ things like that.” Germans are always very cautious about using the familiar versus

formal address. When in doubt, it is best to use the formal address, and the German can always extend the first name invitation.

Besides working for Peerless, Spry is interested in racing. He explains how he started working for BMW Sauber:

I started contacting people kind of on a whim, just trying to get involved in racing. I got in contact with BMW and they said ‘well, we need analysts.’ (...) They send [data] to me. The reason they send it to people in the U.S. is because of the time difference. So they go to bed, and because I can come home and do it as a moonlighting thing, I can get it back to them in the morning.

Since working with BMW, Spry has also conducted business in Munich, Germany. He has found the atmosphere in the working environment in Munich to be very similar to his experiences in Düsseldorf.

As an engineer, Thomas Spry encounters differences in measurements because Germany uses the metric system as opposed to the United States on the English system. Instead of being less cost efficient by adapting the machinery into two products (English versus metric systems), “we have to ship English unit tools with our machines so that they have stuff to work with, because they’re all on the metric.” Spry finds this bothersome, but there is no way around it.

Spry also comments on the differences in safety standards. Products must meet different standards in Germany than in the United States:

Just from an engineering side of it, there are different standards of codes that you have to follow, like the CE code. Here in the United States, we say that we’re “OSHA compliant.” Now when we go to Germany or anywhere where they have “CE” compliance, you have to have your machine inspected thoroughly by a

compliance officer, and that's what happens when we send it over there. (...) Once you get the CE compliance on the first model, it carries over, but it takes about 6 months to get compliance.

Germans generally have more stringent safety requirements. Instead of adapting products to make them safer after an initial accident, German products have higher standards in place to prevent accidents from occurring at all. It is no wonder that it is more difficult and time-consuming to obtain CE compliance in Europe than OSHA compliance in the United States.

Spry was not prepared for a few things when he went to Germany to do business. "They're a little more blunt. It caught me off guard a few times; I wasn't expecting it." Spry noted that if a German is displeased by something, they will tell you right away. Germans assume that unless their work is criticized, it is acceptable.

Another aspect of German culture that caught Spry off guard was German tolerance of alcohol in the workplace. As beer is such a part of German culture, it is not unwelcome in the workplace. "They'll have a beer on work hours. I mean, you go into the shop and the guys are sitting there drinking beer and running the machinery. That was a little bit shocking." For a country that is the size of the state of Montana, there are over 1,200 breweries with over 5,000 different beer labels, so it's hardly unexpected to have such a cultural aspect of life present and allowed in the workplace. (Bernstein)

Because Spry does not speak German, he was relieved that almost everyone that he came in contact with could speak English. "One thing they wouldn't do at BMW that's actually a team rule is if you are with someone who only speaks English, you only speak English around them. It just lessens confusion." Because language barriers are less and less of a problem for Americans abroad, doing business in Germany is increasingly easier.

While Spry was in Düsseldorf for the Drupa trade show in 2008, he witnessed the straightforwardness of German business:

When I was there, we were trying to sell a machine to a Turkish company. They came through once before, just looking. (...) So they came back the next day, and we started striking a deal with them. And they said they wanted to go talk to their bankers and they would be back the next day. They came back the next day, and said “ok, this is a good deal,” and it was everything we had agreed upon. So they came back the next day, after my bosses had formalized things a bit more, and were ready to sell the machine, and the Turks say they want to add more to the agreement with no extra charge. You could tell my bosses were upset, and they said that they had come to an agreement, and they matched up, and so they ripped up the contract and said “we’re done with it, we can’t do business with you if you’re going to change what you need to do to do business.” Then the Turks got mad. Germans don’t like ‘fluffy’ people. They’re very structured. They don’t like lying and deception. They just want to get to the point and sell a machine.

Germans are not especially adept at negotiating. In fact, many of them view being forced to compromise as a personal failure.

Thomas Spry’s experiences in Germany are somewhat different than those of Jeff Carson. Spry is a generation younger than Carson and picks up on different aspects of doing business in Germany. Spry especially notices the differences in forms of address and the role that respect of position plays in the workplace.

Maria Güneysu

Maria Güneysu is a German international graduate student from Münster University.

Studying English and history, Güneysu has noticed many cultural differences since her arrival in August 2008.

Firstly, she says small talk is much more important here. Even if it is not genuine, Güneysu says that everyone asks “How are you?” whereas in Germany, you only ask if you truly care and want to know. In the United States, a reply will be shallow and fake, but in Germany, if asked about how they are doing, expect a lengthy response about their health, family, woes, and troubles.

Güneysu also considers Americans to be more polite. For example, when Güneysu was visiting Chicago, she became lost. While looking at her map, a stranger approached her, asked her if she was lost, and gave her directions to her destination. She says that “that would never happen in Germany.” Germans mind their own business and take care of themselves.

Formality is also more important in Germany. If a German is unfamiliar with someone, or if they are in a different rank socially, Germans will use the formal address. “Here you are really quick to say, ‘Oh, call me Maria.’ But in Germany, if they have a title like ‘Doctor,’ you always take that. Only if they say you may call them by their first name can you do so.” Maria explains that without their permission, it would be a very serious offense to call someone by their first name.

In the workplace, Güneysu says that the atmosphere of formality differs. But again, it depends on the social environment. “Some colleagues at a company will use the familiar address. You would have to use the formal address to your boss or anyone higher than you. And usually they would use the formal back to you. But there are instances when you use the formal address to your boss but they use the familiar back to you.” What is important for foreigners to

understand is that the one in a higher social position takes the step from formal to familiar address.

Finally, Güneysu compares attire in Germany to the United States. She says that Americans, on average, are more informally clad than Germans. In the business setting especially, Germans wear conservative, business suits at all times. Although she knows of “casual Fridays,” never in the workplace in Germany would you find someone wearing blue jeans. Overall, however, Güneysu believes that the differences between the United State and Germany are relatively small, and she has had little trouble adapting to the United States.

Summary of Interviews

All three interviewees stress the importance of respect for position in the workplace. Being informal with a German too early in a business relationship would be considered a personal slight and should be avoided by Americans. On the other hand, Germans and Americans are very similar outside of the workplace and enjoy many of the same activities.

Besides differences in product standards and measurement systems, both Carson and Spry observe that doing business in Germany is not difficult. Albeit blunt and straightforward, the Germans that Carson and Spry have encountered have been friendly, pro-American, and easy to do business with.

Conclusion

Germany’s history, regional sentiments, government, customs and holidays, and working environment are unique and different from that of the United States. By having a basic understanding and respect for these differences, cultural barriers may be avoided.

Doing business in Germany can be different and surprising to outsiders. It is for this reason that researching foreign countries is important. Understanding, acknowledging, and

respecting differences bridge the gap between societies and promotes friendship and harmony between both individuals and between companies in the workforce.

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